L.A. Gear takes off

Spending up to race Reebok, Nike

By MARCY MAGIERA

LOS ANGELES—L.A. Gear is picking up its marketing pace to compete with athletic shoe market leaders Reebok International and Nike.

The 5-year-old marketer of fashion-oriented athletic shoes will boost its ad spending to $20 million to $25 million in 1989, from $12 million this year.

It also signed pop singer Belinda Carlisle to appear in a Christmas season ad campaign and this month will start its most aggressive back-to-school effort—a $4 million campaign showcasing its men's shoes.

The back-to-school campaign, which breaks Aug. 15, is L.A. Gear's first major effort for its men's line.

The TV, print, radio and outdoor campaign continues the marketer's "It wasn't a fantasy" ad theme, introduced two months ago in a spot for women's shoes.

A 60-second commercial intercuts a young man's fantasy basketball game—a one-on-one match on a beachside court, his opponent a beautiful young woman—with his real on-court challenge, a high school championship game.

The campaign, which will air nationally on cable and in 38 spot markets, was created and produced in-house under the direction of L.A. Gear Exec VP-Marketing Sandy Saemann.

The new campaign and future efforts will focus more on function than past ads, which mainly have emphasized L.A. Gear shoes' fashion aspects, Mr. Saemann said.

"We don't want to go down as only a fashion shoe that doesn't perform on the aerobic floor," he said.

L.A. Gear's $72 million in sales in 1987 represents a 2.3% share of the $3.1 billion branded athletic shoe market and makes it the ninth-largest player in the industry, according to *Sports Management News*, an industry newsletter.

In 1987, Reebok had a 32.2% share with $990 million in sales; Nike had an 18.6% share with sales of $571 million.

L.A. Gear has steadily increased its sales and ad spending since 1985. Its sales grew by more than 200% in 1986 to $36 million and doubled in 1987.

Ad spending grew from an estimated $2 million in 1986 to $7 million last year.

L.A. Gear's first TV spot for its men's line intercuts scenes of a young man's championship basketball game with his fantasy game, played against a beautiful young woman.

Reebok will spend $35 million to $40 million this year, through Chiat/Day, New York. Nike's budget is $34 million, handled by Wieden & Kennedy, Portland, Ore.#

Dailies' discounts fail to stem slide

By PATRICK REILLY

TORONTO—Although discount rates for national advertisers are growing among U.S. newspapers, they're doing little to offset the downward spiral of national ad dollars for the medium.

Executives meeting at the International Newspaper Advertising & Marketing Executives conclave here said small to midsize newspapers are the most enthusiastic backers of discounts, but most large metropolitan dailies still appear cool to the idea.

Discounts have been promoted for the past two years as an important component of an industrywide effort to lure back national advertisers to newspapers.

National ad rates are often double the local—or retail—rates, and that's been cited as a reason for national advertisers' reluctance to use newspapers. The percentage of national ad spending in newspapers dwindled to less than 6% in 1986, from more than 15% in the 1950s.

A recent survey by the Newspaper Advertising Bureau showed that 63% of 656 newspapers—representing 60% of total U.S. circulation—now offer discounts to national advertisers for repeat ads, in addition to the newspapers' customary volume discounts.

The discounts are a key recommendation of the NAB's Future of Advertising project, a blue-ribbon committee of newspaper chief executives formed in 1985 to address the industry's long-term future.

At last week's conference, several attendees seemed unimpressed by the growing number of papers offering discounts.

"It's a myth to believe that by lowering the price, the national ads will come back," said one executive of a major newspaper who asked not to be identified.

While the NAB's survey suggests a major accommodation by newspapers, executives here contended that many of the papers that have adopted the discounts are small to medium-circulation newspapers whose national business is marginal at best, usually representing no more than 10% of their annual ad revenue.

"We haven't changed our [national] rates, and I don't know of any major paper that has," said Leonard Pomerantz, manager of retail advertising for the *Los Angeles Times*.

One executive from a major metropolitan daily newspaper said, "It costs no more to run a national ad than a local one. What the price differential represents to many papers is profit, and they aren't about to do away with that profit."

James Doughton, advertising director of the *Sarasota* (Fla.) *Herald-Tribune*, said the acceptance of lower national rates is "a lot like skinny-dipping. Everybody wants to do it, but no one wants to be the first to do it."

Mr. Doughton said his paper's national rate is only about 7% above its retail rate.

"It wouldn't be a dramatic change for us," he said. "But I don't see things really changing until the big papers do it. When they do, you will know we have made some progress."

Some large papers have simply made volume discounts more attractive.

"We have a frequency discount for national advertisers that's so low it falls below our retail rate," said Jerome Tilis, president of the *Detroit Free Press*.

Still, some executives said price isn't the key factor.

"It's not really about the price," said Roger Clapp, president of INAME and ad director of *The Richmond* (Va.) *News Leader* and *Richmond Times-Dispatch*. "It's about whether you have the market the advertiser wants and how easy you make it for the advertiser to buy newspapers."

Of late, national spending levels in newspapers, like spending for retail, haven't been encouraging.

According to NAB's figures for the first quarter of 1988, total newspaper spending was $6.7 billion, an increase of 2.5% over the same period in 1987. National ads rose a sluggish 2.2% to $848 million. But retail ad spending increased only 1% to $3.3 billion, while classified rose 4.6% to $2.6 billion.

NAB also lowered its projections for total newspaper spending in 1988. NAB President Craig Standen told the attendees that the bureau's earlier estimate of $31.7 billion in total U.S. newspaper advertising for 1988, or an 8% increase from 1987, has been revised to $31.3 billion, or 6% growth.#

Magazines

(Continued from Page 3)

ad pages, up 41.5%; *American Way*, American Airlines' in-flight magazine, to 839, up 33%; *Metropolitan Home*, to 526, up 32%; and *Hot Rod*, to 584, up 26.5%.

Of the 156 consumer magazines that PIB tracks, 95, or 61%, showed ad page gains. The magazines averaged a growth of 4.4%. That's a better pace than in 1987, when their total ad pages grew little more than 3% for the year.

Ad revenue in the first six months totaled $2.8 billion, an increase of 9.4% from 1987. Ad pages, not revenues, are considered a more precise gauge of the industry's performance, since revenue totals don't reflect discounts off the magazine's official rate card.

Despite the overall good ad performance, some publishers will spend the second half recovering from the first half. For example, Washington Post Co.'s *Newsweek* has slumped this year after pulling ahead of rival *Time* in 1987. In the first half of 1988, *Newsweek's* pages totaled 1,182, down 6% from the same period in 1987. *Time* was up 1.7% to 1,207 pages.

Newsweek Publisher Gerard Smith said the magazine was "looking to strengthen in the second half," in part because of a special election issue whose ad space is selling well. The issue will appear 36 hours after the polls close on election night and will stay on the newsstand for 10 days.

Each advertiser in the *Newsweek* issue is being promised space opposite editorial pages.

Publishers and industry observers expect advertising demand to remain relatively stable for the rest of the year.

"Publishers say they are cautiously optimistic," said James Guthrie, exec VP-marketing development at Magazine Publishers of America. "Their second halves will be about the same as their first."

Mr. Guthrie said he's confident that "bellwether" categories such as automotive and apparel, which were strong in the first half, will maintain their volume for the year.

Automotive ads in consumer magazines totaled $428 million, a 19.3% increase from the first six months of 1987, while apparel rose 14% to $154 million.

"I don't hear of any categories that are tightening their belts, and all the critical categories are strong," Mr. Guthrie said.

He said magazine revenues will increase at a higher rate than pages due to recent sharp increases in page rates to cover "uncontrollable" costs of postage and paper.#

AA workshop tackles sports sponsorships

NEW YORK—How do advertisers make big bucks by signing up big-name sports stars? How are the dynamics of sports sponsorship changing? Is there a future for these partnerships?

A five-member panel will be batting out the answers here during the 31st annual ADVERTISING AGE Creative Workshop. Participants in the sports sponsorship session are CBS-TV sportscaster Tim Ryan; agent-attorney Bob Woolf, president of Bob Woolf Associates, a pioneer sports law firm whose clients include basketball's Larry Bird and Otis Birdsong and former NFL star Jim Plunkett; H. Kent "Bud" Stanner, senior corporate VP, International Management Group, Cleveland, a leading full-service sports management company; Barbara Paddock, VP, Manufacturers Hanover Corp.; and Liz McMahon, manager-marketing and communications, 3M.

Panelists also will discuss the future of sports marketing, endorsements, remuneration and impact on creative work.

The workshop will be at the New York Hilton Aug. 21 to 24. For more information, contact AD AGE Communications, 220 E. 42nd St., New York 10017. In New York state, call (212) 210-0[illegible]; outside New York, call 1-800-233-3435. Telex: 64-0207. Fax: (212) 867-9716.#

RD keeps eying new titles

By PATRICK REILLY

Reader's Digest Association is expected to make more domestic acquisitions following the shuffling last week of a number of its top publishing executives.

As part of the new assignments, Marcia Lefkowitz, 44, VP and director of U.S. circulation for the 16.5 million-circulation *Reader's Digest*, will become VP-director of corporate planning and development. She succeeds Rene Isaac, 64, who's retiring.

Ms. Lefkowitz will oversee acquisition activity for the magazine and book publisher and will report to George Grune, chairman-ceo.

"Isaac's put in place our acquisition-minded plans," said a *Reader's Digest* spokesman. "And Marcia is expected to build on that. There is still great interest in other acquisitions."

K. Gordon

R. Cole

Under Mr. Grune's leadership, the association has bought three magazines in the past two years: *Travel-Holiday*, *Family Handyman* and *50 Plus*.

The other changes were made partly in preparation for another senior executive's retirement, Mr. Grune said.

Kenneth Gordon, 51, VP-publisher at *Reader's Digest*, will become VP-director, international operations, succeeding Richard Hewett, 64, who's retiring. Ronald Cole, 43, will succeed Mr. Gordon as publisher, returning from Montreal, where he was president-ceo, *Reader's Digest*-Canada.

M. John Bohane, 52, was named to the new post of VP-director of U.S. marketing, from VP-books and music division. Peter Davenport, 48, VP-director of international marketing, gets additional responsibilities as deputy director of international relations.

Patrick Kenny, 40, succeeds Ms. Lefkowitz as U.S. circulation director, from subscription sales director.#

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Last Minute News

JWT out of media talks with Ogilvy, Omnicom

NEW YORK—Talks about a three-way media-buying venture involving J. Walter Thompson Co., Ogilvy & Mather and Omnicom Group have broken off, and it appears O&M and Omnicom will forge their own deal by next month.

Burt Manning, JWT chairman-ceo, confirmed the talks are no longer active. He declined to disclose why an agreement couldn't be reached, saying only that more limited and preliminary talks with other agencies are continuing. But sources familiar with the negotiations said JWT "couldn't deliver" several of its overseas offices—including its largest in London. These were unwilling to cooperate with the venture because of separate partnerships or their own strength.

Sources said JWT was the most recent potential partner for O&M and Omnicom, which two weeks ago formally disclosed their talks (AA, Aug. 8).

"We're talking to nobody on a broad worldwide basis," Mr. Manning said. "We're primarily interested in a market-by-market examination of the needs of our clients."

However, some sources believe JWT and parent WPP

(Continued on Page 8)

• Fax-machine mania strikes the advertising business—P. 3

• Saatchi brothers' secrets revealed in new book—P. 64

Cereal makers feel their oats

Quaker, Gen'l Mills plan $100M in spending

By JULIE LIESSE ERICKSON

Quaker Oats Co. and General Mills are committing nearly $100 million for marketing in the second year of their oatmeal war.

The rival hot-cereal marketers will fire off a barrage of new products and ad campaigns later this month.

At stake is a market that grew close to 24% last year, to $606 million, as well as the opportunity to piggyback on consumers' feverish interest in oat bran cereals.

General Mills, which threw down the gauntlet last year by introducing Total Oatmeal as a challenge to longtime market leader Quaker Oats, is adding three new products to the line.

Total Oatmeal Swirlers, rolling national in September, are packs of instant oatmeal accompanied by a separate packet of jam to be squeezed onto the hot cereal.

The Fruit Swirlers pouches contain 50% real fruit and come in three flavors—apple cinnamon, raspberry and strawberry.

General Mills believes Swirlers will enhance oatmeal's appeal for children. "We think there's a lot of play value involved with these," a spokeswoman said.

Saatchi & Saatchi DFS Compton, New York, handles Total Oatmeal and Swirlers, and the entire campaign is estimated at $35 million.

Ads for the basic oatmeal line break in September; Swirlers will get a separate TV and print campaign later.

In addition to Swirlers, General Mills is adding a sixth flavor—maple brown sugar—and a multiflavor variety pack to its instant oatmeal line.

In the latest example of one-upmanship in this bitter market battle, General Mills now is fortifying Total Oatmeal with 100% of the U.S. recommended daily allowance of 12 vitamins and minerals, up from nine initially.

That's two more than Quaker Extra, an instant oatmeal now rolling national as Quaker's response to Total's nutritional claims (AA, Jan. 4, *et seq.*).

Extra, tested in Arizona last winter, will be available nationally this month in apples and spice, raisins and cinnamon and regular flavors.

Quaker's print and TV ad support for its oatmeal line begins at the end of this month.

The company is boosting its oatmeal marketing budget by about a third, to nearly $60 million, compared with a

(Continued on Page 63)

Murdoch buy stacks the racks

By PATRICK REILLY

Rupert Murdoch's acquisition of Triangle Publications will earn him a commanding position on U.S. newsstands, setting up what could be a major battle between his News Corp. and the U.S.' largest magazine publishers.

With the planned $3 billion purchase of Triangle, including the flagship *TV Guide* founded by owner Walter Annenberg, Mr. Murdoch becomes a formidable competitor in single-copy sales.

TV Guide sells an average of more than 8 million copies on newsstands, or about 47% of its total weekly paid circulation of 17 million. News Corp.'s weekly supermarket tabloid, *Star*, sells an average of 3.3 million copies on newsstands, about 87% of its total paid circulation of 3.8 million.

"He has made himself a powerful force," said Charles Walker, exec VP-operations, Select Magazines, a major magazine distributor. "Between *TV Guide* and the Murdoch titles, Murdoch can quarterback a lot of racks," he said, referring to the practice of negotiating favorable positions at supermarket checkouts and newsstands.

The acquisition also will make News Corp. a greater global media force. That, industry observers say, will accelerate Mr. Murdoch's drive to become a single-source resource for international advertisers.

The purchase places Mr. Murdoch in the position of offering attractive ad packages, as wide-reaching as any offered today. In addition to magazines and newspapers on three continents, he owns Fox Broadcasting Co. in the U.S. *(see related story on Page 62)* and the Sky Channel cable TV service in Europe, soon to be absorbed by a new, larger Sky Television satellite TV company.

More immediately, however, Mr. Murdoch will become the U.S.' largest consumer-magazine publisher in terms of circulation and, as a magazine distributor, will greatly boost his share of the multimillion-dollar industry.

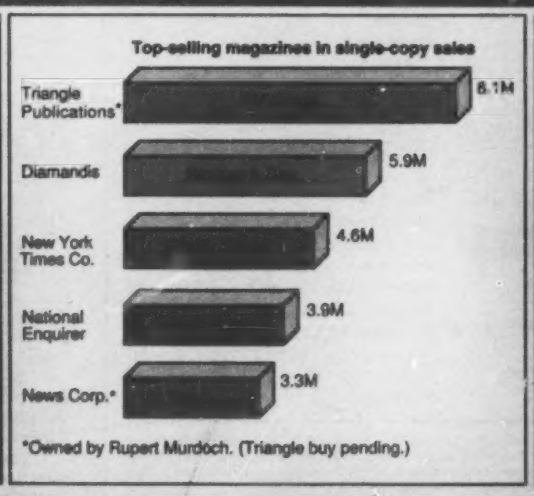
Triangle's national distribution arm handles not only *TV Guide*, *Seventeen* and *Good Food*, but also clients such as *Reader's Digest*, *Newsweek*, *Soap Opera Digest* and *Woman's World*.

Triangle ranks about sixth among magazine distributors; its titles alone represent about $266 million in total annual retail sales at newsstands and supermarket checkouts.

Adding Murdoch Magazines titles to

(Cont'd on Page 62)

Rupert Murdoch's newsstand clout



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Duke stages ad am-Bush

By STEVEN W. COLFORD

WASHINGTON—The first TV spot from Democratic presidential nominee Michael Dukakis' campaign team hit the airwaves in Texas and Florida last weekend, just as the Republican convention was about to steal the national spotlight.

The 60-second commercial is a mixture of color footage from the Democratic convention and b&w stills of the Massachusetts governor at work. The tagline is "For a new era of economic greatness."

Campaign officials denied the two-state launch was intended to blunt the impact of the Republican convention, starting today in New Orleans, or to counter recent polls showing Gov. Dukakis' lead shrinking against Vice President George Bush, who will claim his party's nomination this week.

Dukakis campaign officials previously had said they would withhold their opening ad salvo until Labor Day (AA, July 25), but now it looks like that's when they'll launch their first network spots.

Earlier, the Democratic National Committee broke its first "Vote Democrat" commercial in Texas in response to the Republican National Committee's initial buy (AA, Aug. 8).

The Dukakis spot started airing last Friday evening, campaign officials said, and was scheduled to run through tonight.

The flight might be extended, however, for another day or two.

A campaign official said the spot, which he called a "collaborative effort" of the entire ad team, will air in many markets before Nov. 8.

Conservative ads await Bush's VP pick at convention—P. 60

If there's considerable similarity between Gov. Dukakis' ads and those cranked out by the DNC, that's because many of the same ad and political talents are working for both.

The DNC formed a new management structure for the fall, named Campaign '88, that includes representatives from major organizations such as the Democratic Senatorial Campaign Committee, Democratic Governors Association and Democratic Congressional Campaign Committee.

Paul Bograd, a New York communications adviser who will oversee Campaign '88's media team, declined to identify who'll be creating the party's spots.

But a source rattled off a list of names that includes practically the entire Dukakis ad team: political advertising consultants Ken Swope (who produced the first spot), Scott Miller, Dan Payne and Michael Kaye; and key Madison Avenue imports Ed McCabe, former partner in Scali, McCabe, Sloves, and Malcolm McDougall, vice chairman at Jordan, McGrath, Case & Taylor.

Other creative input is expected from people who've offered their services to the Dukakis team—Tom Amico and Jim Proimos, a copywriting team from Smith Burke & Azzam, Baltimore; Mike Hughes, vice chairman-creative director at the Martin Agency, Richmond, Va.; and Bill Tragos, chairman of TBWA, New York.

Another similarity to the Dukakis ad team, Mr. Bograd said, is the division of the party's ad team into a unit made up of political consultants—to produce quick-response ads in answer to the Republican Party's generic commercials—and a strategic team using ad personnel to develop thematic messages.

The DNC's ad budget is expected to be several million dollars.#

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High-flying videos get lift from tie-ins

By WAYNE WALLEY

LAS VEGAS, NEV.—Some major national advertisers are tying yearend holiday promotions to the $6 billion home video industry.

Coca-Cola USA, Pepsi-Cola USA, McDonald's Corp., Procter & Gamble Co. and Ralston Purina Co. have struck sweepstakes or rebate deals co-promoting their products with what's become one of the nation's hottest gift categories.

Those attending the Video Software Dealers Association convention here last week expect record fourth-quarter video sales, fueled by the release of top titles such as "Cinderella" and "E.T.: The Extra-Terrestrial."

But while video companies have doubled and tripled ad budgets again this year, many believe the unprecedented influx of tie-ins with major product advertisers will push sales further.

Various programs in the works could yield tens of millions of dollars in additional national media exposure in the coming months.

Walt Disney Home Video, which topped all video companies by selling 7.5 million cassettes during its Christmas promotion last year, has been the most aggressive in seeking promotional partners this year. It has signed deals with P&G, Coca-

(Continued on Page 60)

Levine poised to capture lead in Gallo review

By MARCY MAGIERA

E&J Gallo Winery will start airing new spots this fall for its table wines, and if the campaign is successful, Levine, Huntley, Schmidt & Beaver could become agency of record for a significant piece of Gallo's $75 million account.

Gallo has assigned creative projects for its brands to various agencies but hasn't signed a contract with any shop since Hal Riney & Partners, San Francisco, resigned the entire account last December.

Levine, the New York shop that created the new campaign for table wines, has been working on Gallo business since December, along with John Crawford Creative, San Francisco; Dailey & Associates, Los Angeles; and Della Femina, McNamee WCRS, Los Angeles.

Sources close to the agency review say it's likely Levine will be the first shop to achieve agency-of-record status.

In addition to the table wine effort, Gallo will introduce later this month a tropical version of its Bartles & Jaymes wine cooler.

B&J Tropical, Gallo's fifth wine cooler flavor and its third introduced this year, is a direct response to category leader Jos. E. Seagram & Sons' Seagram's Island Tropics, introduced in February, and Miller Brewing Co.'s Matilda Bay cooler, another tropical entry.

Spots for the new cooler flavor were produced by John Crawford Creative, which has done about 15 B&J commercials since March.

Gallo is also trying to exploit a trend started by its competitors in the sparkling wine segment, where it has seen sales of its low-price Andre champagne, still the No. 1 brand, eroded by midprice brands.

This fall, Gallo will introduce Tott's champagne, priced at about $6 to compete with Guild Wineries & Distilleries' Cook's champagne and Freixenet USA's Cordon Negro Brut.

It's believed Gallo will support the Tott's introduction with an ad campaign created by Riney as the agency's last assignment, and one produced by Della Femina.

Gallo is also developing a third brand, priced between Tott's and Andre. John Noble Advertising, Tiburon, Calif., which recently dropped out of the Gallo review, was working on creative for the as-yet-unnamed brand.#

Jon Lafayette in New York and correspondent Alice Z. Cuneo in San Francisco contributed to this story.

Contract beers gush

(Continued from Page S-1)
tion, is helping to build interest in private stock beer among other restaurateurs, Mr. Smith says. In some cases, the brewpubs may become clients if they cannot keep up with demand or want to expand to off-premises distribution.

Huber also makes Berghoff beer, the namesake lager sold by the landmark Chicago restaurant. The restaurant markets it to selected liquor and grocery store chains in Illinois, Wisconsin and Indiana.

"The Berghoff began as a brewery in Fort Wayne, Ind., in 1887," says Bill Marquardt, VP of the restaurant and related enterprises. "But because of ordinances designed to protect local breweries, it couldn't sell its product in Chicago. So, the family decided to open a saloon in town to sell its own beer. We sold the beer for a nickel and gave away sandwiches."

The food eventually became more important than the beer; when Berghoff pot roast and wiener schnitzel began outselling suds in 1954, the brewery was sold.

However, the restaurant wanted to keep up the tradition of making its own beer and selected Huber as the contract brewer in the late 1950s, Mr. Marquardt says.

Morgan

Berghoff beer is now marketed regionally by its namesake restaurant.

Huber makes about 7,000 barrels of the Bavarian-style beer to be sold both in bottles and on draft. The Berghoff maintains its own sales force to market the beer to retail chains; about 3,600 barrels are sold in Chicago.

The restaurant promotes the product with a $100,000 radio and print advertising campaign managed in-house. The restaurant also contracts with Chicago-based Clover Club for a draft root beer, a product that may also make it to retailers' shelves in the near future, Mr. Marquardt says.

Not all contract brews are originally meant for on-premises sale. Specialty breweries, sometimes called microbreweries, are on the rise, but few small companies can afford to invest in the fixed assets necessary to make beer *(see related story on Page S-1).*

"So, they devise the recipe and handle the marketing and we make the beer," Huber's Mr. Smith says.

Huber makes beer for several microbreweries including Ambier Brewing Co., Milwaukee, Telluride Brewing Co., Telluride, Colo., and Boca Brewing Co., Boca Raton. Fla.

At last year's Great American Beer Festival in Denver, two of the brews, Telluride and Boca, won tasting awards, an honor Huber shares.

"Their recipes won the awards, but our care and quality control was a factor," Mr. Smith says. "The great advantage of contract brewing is that you don't have to own a brewery to be a master brewer."

—Len Strazewski

DATA BANK — Beverage Marketing

Top U.S. beer brands

By volume share 1987*

Beer	Volume* share
Budweiser	14.9
Miller Lite	10.8
Coors Light	6.4
Busch	5.5
Coors	4.9
Bud Light	4.5
Miller High Life	3.7
Old Milwaukee	3.5
Milwaukee's Best	2.9
Miller Genuine Draft	2.6

*Volume share expressed in 288 ounce equivalent units.
Source: Information Resources

Top imported beers

By U.S. volume share*

Beer	Volume* share
Corona	20.8
Heineken	16.8
Molson	10.3
Becks	7.5
Moosehead	4.5
St. Pauli Girl	3.9
Dos Equis	3.1
Amstel Light	2.8
Fosters	2.3
Tecate	2.0
All others	26.0

*Volume share expressed in 288 ounce equivalent units.
Source: Information Resources

Bottled water bubbling in food stores

	Total bottled water		*Non-carbonated bottled water*		*Carbonated water*	
	Sales ($000,000)	% chng.	Sales ($000,000)	% chng.	Sales ($000,000)	% chng.
1984	$185.7		$152.8		$33.0	
1985	237.3	27.8%	192.5	26.0%	44.8	35.8%
1986	283.1	19.3	224.2	16.5	58.9	31.5
1987	355.7	25.6	275.3	22.8	80.4	36.5
Yr. end 5/20/88*	$383.4	24.8%	$296.5	22.5%	$86.9	33.1%

*SAMI/Burke broke out the period 5/21/87 to plot growth using most current figures. Percentage increase for this row is based on comparison with comparable 1986-87 period.
Source: SAMI/Burke

Beverage advertising as part of '87 medium totals

($ in millions)

Medium	Total ad income	Beverage income	Percent of total
Cable TV	$ 607,199.5	$ 64,492.7	10.6
Magazines	5,389,841.6	259,337.3	4.8
Newspapers*	2,829,764.0	104,068.0	3.6
Newspaper supplements	422,184.7	11,403.7	2.7
Outdoor**	1,329,247.0	138,323.8	10.4
Radio***			
Spot	1,445,475.0	203,778.0	14.0
Network	610,000.0	44,756.0	7.3
TV			
Spot	8,395,737.1	616,699.5	7.3
Network	8,814,447.9	883,854.8	10.0

Source: *Broadcast Advertisers Reports/Leading National Advertisers; *Media Records; **Institute of Outdoor Advertising; ***Radio Advertising Bureau*

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DATA BANK — Beverage Marketing

break down consumer stereotypes—thinking that only white wines can be served with fish—and customers learn to drink what they like," says Rhea Ike, winery manager.

Only a few other wineries have restaurants: Wiederkehr has its Swiss-cuisine Weinkeller Restaurant at its Arkansas winery, Chateau Souverain and Topolos at Russian River operate restaurants in Sonoma County, Culbertson has just opened Cafe Champagne at its new Temecula winery north of Los Angeles, Napa Valley's V. Sattui has its deli and picnic tables, and several small wineries in the Midwest offer some food selection.

"Nearly 500 new wineries have opened in this country over the last 20 years, but only a handful have added a restaurant to their facilities," says Lou Gomberg of the *Gomberg, Fredrikson Report*, an industry newsletter. "Running a restaurant is a highly specialized field, and it's markedly different than running a winery.

"I don't see too many wineries opening restaurants, but they can achieve the same result by encouraging people to bring their own food, and picnic on winery grounds," Mr. Gomberg says.

Despite the difficulties of operating and managing restaurants, offering food on premise is an effective way for wineries to promote wine as a food beverage, and as an American staple, eventually.

"It's an idea that is catching on," says Ms. Rodeno.

Where beverages advertised in 1987

($ in millions)

	TV					Newspaper		Radio***	
	Spot	Network	Cable TV	Magazines	Newspapers*	supplements	Outdoor**	Spot	Network
Beer	$203,724.3	$385,765.3	$31,552.4	$ 21,007.5	$26,743.0	$ 269.6	$40,142.9	$135,196.0	$19,698.0
Wine	40,574.1	140,296.4	8,146.3	15,243.4	7,224.0	1,030.5	3,831.6	17,024.0	4,152.0
Liquor	.2	NA	17.8	171,345.2	30,748.0	7,848.2	80,075.4	NA	NA
Coffee/tea/cocoa	44,748.1	116,286.0	6,379.2	29,916.0	4,956.0	1,746.0	964.1	8,030.0	16,214.0
Fruit & vegetable juice	71,205.2	116,458.4	8,645.9	17,135.6	6,578.0	299.9	1,778.0	4,337.0	2,869.0
Soft drinks (regular & diet)	242,875.0	124,563.0	10,017.0	4,065.4	20,538.0	52.8	10,366.8	35,992.0	1,803.0
Bottled water	NA	11,791.6	234.1	624.2	NA	156.7	1,091.1	3,199.0	20.0

Source: Broadcast Advertisers Reports/Leading National Advertisers; *Media Records; **Institute of Outdoor Advertising; ***Radio Advertising Bureau Research: Kristine Stiven

Primary beverage advertiser by medium—1987

Medium	Category	$ in millions
Cable TV	Beer	$ 31,552.4
Magazines	Liquor	171,345.2
Newspapers*	Liquor	30,748.0
Newspaper supplements	Liquor	7,848.2
Outdoor**	Liquor	80,075.4
Radio***		
Spot	Beer	135,196.0
Network	Beer	19,698.0
TV		
Spot	Beer	203,724 3
Network	Beer	385,765.3

Source: Broadcast Advertisers Reports/Leading National Advertisers; *Media Records; **Institute of Outdoor Advertising; ***Radio Advertising Bureau Research: Kristine Stiven

Who got the beverage business in '87

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Newspaper supplements	11,403.7	.5
Outdoor**	138,323.8	3.4
Radio***		
Spot	203,778.0	8.99
Network	44,756.0	1.97
TV		
Spot	616,699.5	27.2
Network	883,854.8	39.0
Total beverage ad income	$2,326,713.8	

Source: Broadcast Advertisers Reports/Leading National Advertisers; *Media Records; **Institute of Outdoor Advertising; ***Radio Advertising Bureau

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